

WEIL, GOTSHAL & MANGES LLP
Stephen Karotkin (*pro hac vice*)
(stephen.karotkin@weil.com)
Theodore E. Tsekerides (*pro hac vice*)
(theodore.tsekerides@weil.com)
Richard W. Slack (*pro hac vice*)
(richard.slack@weil.com)
Jessica Liou (*pro hac vice*)
(jessica.liou@weil.com)
Matthew Goren (*pro hac vice*)
(matthew.goren@weil.com)
767 Fifth Avenue
New York, NY 10153-0119
Tel: 212 310 8000
Fax: 212 310 8007

CRAVATH, SWAINE & MOORE LLP
Paul H. Zumbro (*pro hac vice*)
(pzumbro@cravath.com)
Kevin J. Orsini (*pro hac vice*)
(korsini@cravath.com)
Omid H. Nasab (*pro hac vice*)
(onasab@cravath.com)
825 Eighth Avenue
New York, NY 10019
Tel: 212 474 1000
Fax: 212 474 3700

KELLER BENVENUTTI KIM LLP
Tobias S. Keller (#151445)
(tkeller@kbbkllp.com)
Jane Kim (#298192)
(jkim@kbbkllp.com)
650 California Street, Suite 1900
San Francisco, CA 94108
Tel: 415 496 6723
Fax: 650 636 9251

Attorneys for Debtors and Debtors in Possession

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors
* *All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

BAKER & HOSTETLER LLP
Robert A. Julian (SBN 88469))
(rjulian@bakerlaw.com)
Cecily A. Dumas (SBN 111449)
(cdumas@bakerlaw.com)
600 Montgomery Street, Suite 3100
San Francisco, CA 94111
Tel: 628 208 6434
Fax: 310 820 8859

Attorneys for the Official Committee of Tort Claimants

BROWN RUDNICK LLP
Joel S. Miliband (SBN 077438)
(Jmiliband@brownrudnick.com)
211 Michelson Drive Seventh Floor
Irvine, California 92612
Telephone: 949 752 7100
Facsimile: 949 252 1514

David J. Molton (SBN 262075)
(DMolton@brownrudnick.com)
Seven Times Square
New York, New York 10036
Telephone: 212 209 4800
Facsimile: 212 209 4801

Counsel to the Trustee of the Fire Victim Trust

Bankruptcy Case No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**PARTIES' JOINT STIPULATION
REGARDING NORMALIZED
ESTIMATED NET INCOME**

1 PG&E Corporation and Pacific Gas and Electric Company (collectively, “**PG&E**” or the
2 “**Debtors**”), the Official Committee of Tort Claimants (the “**TCC**”), and the Honorable John K. Trotter
3 (Ret.) Retained Trustee of the PG&E Fire Victim Trust under Order of the Bankruptcy Court (N.D. Cal.)
4 in the above-captioned case [Docket No. 6760] (the “**Fire Victim Trustee**”) (collectively, the “**Parties**”)
5 hereby submit this Joint Stipulation regarding the calculation of Normalized Estimated Net Income, as
6 such term is defined and used in the Plan (“**NENI**”).¹

7 **RECITALS**

8 WHEREAS, on December 9, 2019, the Debtors filed a motion seeking the Bankruptcy Court’s
9 approval of the restructuring support agreement reached among the Debtors, the TCC, the Consenting
10 Fire Claimant Professionals and the Shareholder Proponents (as amended, the “**Tort Claimants RSA**”).

11 WHEREAS, on December 19, 2019, the Bankruptcy Court entered an order approving the Tort
12 Claimants RSA [Docket No. 5174].

13 WHEREAS, the Bankruptcy Court entered an order on June 2, 2020 [Docket No. 7718] referring
14 any dispute concerning NENI to arbitration before Robert Meyer.

15 WHEREAS, the Parties have now resolved their dispute concerning NENI as set forth below.

16 **STIPULATION**

17 THEREFORE, it is hereby stipulated and agreed, by and among the Parties, through the
18 undersigned, and the Parties jointly request the Bankruptcy Court to order, that:

19 1. The recitals set forth above are hereby incorporated by reference as though fully set
20 forth herein.

21 2. NENI for 2021 under the Plan shall be deemed to be the amount such that the \$6.75
22 billion in New HoldCo Common Stock to be issued to the Fire Victim Trust at Fire Victim Equity
23 Value under the Plan shall result in the Fire Victim Trust receiving 22.19% of the New HoldCo
24 Common Stock on the Effective Date.

25
26
27 ¹ Capitalized terms used herein shall have the meanings assigned thereto in the Debtors’ and
28 Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated May 22, 2020 [Docket
No. 7521] (as may be further modified, amended, or supplemented from time to time and, together
will all exhibits and schedules thereto, the “**Plan**”).

1 3. Nothing in this agreement limits the Fire Victim Trust's anti-dilution protections set
2 forth in Section 1.6 of the Plan.

3
4
5 Dated: June 11, 2020

6 CRAVATH, SWAINE & MOORE LLP
7 WEIL, GOTSHAL & MANGES LLP
8 KELLER BENVENUTTI KIM LLP

9 /s/ Kevin J. Orsini

10 Kevin J. Orsini

11 *Counsel for the Debtors and Debtors in Possession*

12 BAKER & HOSTETLER LLP

13 /s/ Robert A. Julian

14 Robert A. Julian

15 *Counsel to the Official Committee of
16 Tort Claimants*

17 ACKNOWLEDGED AND AGREED:

18 BROWN RUDNICK LLP

19 /s/ David J. Molton

20 David J. Molton

21 *Counsel to the Trustee of the Fire Victim Trust*
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